

University of Montana  
**ScholarWorks at University of Montana**

---

Max S. Baucus Speeches

Archives and Special Collections

---

9-17-1986

# "Harnessing the Winds of Change", Montana AFL-CIO Convention

Max S. Baucus

Let us know how access to this document benefits you.

Follow this and additional works at: [https://scholarworks.umt.edu/baucus\\_speeches](https://scholarworks.umt.edu/baucus_speeches)

---

## Recommended Citation

Baucus, Max S., "'Harnessing the Winds of Change", Montana AFL-CIO Convention" (September 17, 1986). *Max S. Baucus Speeches*. 362.  
[https://scholarworks.umt.edu/baucus\\_speeches/362](https://scholarworks.umt.edu/baucus_speeches/362)

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

Printing, Graphics & Direct Mail  
ONBASE SYSTEM

Indexing Form

Senator \* or Department\*: **BAUCUS**

Instructions:

Prepare one form for insertion at the beginning of each record series.

Prepare and insert additional forms at points that you want to index.

For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type\*: **Speeches & Remarks**

MONTH/YEAR of Records\*: **September-1986**

(Example: JANUARY-2003)

(1) Subject\*: **Trade**

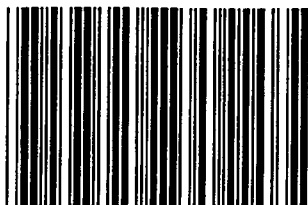
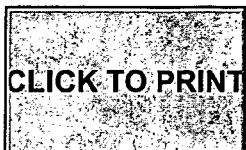
(select subject from controlled vocabulary, if your office has one)

(2) Subject\* **Harnessing the Winds of Change**

DOCUMENT DATE\*: **09/17/1986**

(Example: 01/12/1966)

\* "required information"



BAUCUS

Summation --  
for speech file.  
Date 9/17

SPEECH BY SENATOR MAX BAUCUS  
MONTANA AFL-CIO CONVENTION  
"HARNESSING THE WINDS OF CHANGE"

INTRODUCTION

THANKS, AND HELLO TO JIM (MURRY), DON  
(JUDGE), AND OTHER FRIENDS ....

SIXTY-SIX YEARS AGO TODAY, FRANKLIN DELANO  
ROOSEVELT COMPLETED HIS FIRST CAMPAIGN SWING  
THROUGH MONTANA. HE WAS RUNNING FOR VICE  
PRESIDENT AGAINST THE HARDING/HOOVER TICKET.

THOSE WERE THE ROARING TWENTIES, WHEN THE  
STOCK MARKET WAS SOARING AND WALL STREET  
SPECULATORS WERE RAKING IN MILLIONS.

BUT FDR UNDERSTOOD THAT ECONOMIC DEVELOPMENT  
IS ABOUT MORE THAN EASY PROFITS FOR THE PRIVILEGED  
FEW.

IT'S ABOUT JOBS.

IT'S ABOUT PEOPLE.

IT'S ABOUT A DECENT STANDARD OF LIVING FOR  
WORKING MEN AND WOMEN.

THAT'S AS IMPORTANT TODAY AS IT WAS IN THE  
20s.

IT'S FINE FOR PRESIDENT REAGAN TO CROW ABOUT  
THE STOCK MARKET AND CORPORATE BALANCE SHEETS.

BUT, WHETHER HE KNOWS IT OR NOT, THIS  
COUNTRY'S ECONOMIC FOUNDATION IS CRUMBLING <sup>beneath</sup> ~~UNDER~~  
~~NEAR~~ OUR FEET.

### THE TRADE CRISIS

IN MANY WAYS, THE ECONOMIC PROBLEM COMES DOWN  
TO INTERNATIONAL TRADE.

LAST WEEK, YOU SENT ME A "TRADE BASKET." IT  
WAS FILLED WITH AMERICAN PRODUCTS, LIKE WHEAT,  
LUMBER, AND COPPER WIRE, THAT FACE FIERCE FOREIGN  
COMPETITION.

THAT TRADE BASKET SYMBOLIZES THE GREATEST  
CHALLENGE OUR COUNTRY HAS FACED SINCE WORLD WAR  
II.

THIS YEAR, OUR TRADE DEFICIT MAY EXCEED \$170  
BILLION.

FOR EVERY \$2 WORTH OF U.S. GOODS GOING OUT,  
\$3 WORTH OF FOREIGN GOODS WILL BE COMING IN.

AS A RESULT, TRADE SENSITIVE INDUSTRIES LIKE  
AGRICULTURE, MINING, FOREST PRODUCTS, AND MANUFACT  
URING ARE SLIDING INTO A RECESSION, DRAGGING  
COMMUNITIES AND ENTIRE REGIONS DOWN WITH THEM.

MILLIONS OF JOBS HAVE BEEN LOST, AND ~~AND~~  
OUR STANDARD OF LIVING IS DECLINING FOR THE FIRST  
TIME IN DECADES.

YOUR LEADERSHIP UNDERSTANDS THIS. AS JIM  
TOLD THE WETA CONFERENCE THREE WEEKS AGO, "WE  
SIMPLY CANNOT SIT BACK AND WATCH THE EROSION OF  
THE ECONOMIC BASE OF THIS COUNTRY."

IT'S TIME TO FIGHT BACK.

BUT WE'VE HAVE TO FIGHT BACK ON TWO FRONTS.  
 WE HAVE TO ATTACK UNFAIR FOREIGN TRADE PRACTICES.  
 AND WE HAVE TO RESTORE AMERICA'S LEAD IN <sup>economic</sup> PRODUCT  
 TIVITY ~~GROWTH~~.

TRADE LAW REFORM

THE FIRST STEP IS ATTACKING UNFAIR FOREIGN  
 TRADE PRACTICES.

FOR YEARS, AMERICA HAS PLAYED THE PATSY.

WE HAVE NAIVELY TRIED TO ACHIEVE FREE TRADE  
 BY EXAMPLE.

BUT OTHER COUNTRIES HAVEN'T FOLLOWED OUR  
 EXAMPLE. THEY'VE PROTECTED THEIR OWN MARKETS AND  
 SUBSIDIZED THE INVASION OF OURS.

JAPAN BLOCKS OUR BEEF EXPORTS.

CANADA FLOODS OUR MARKET WITH SUBSIDIZED  
 LUMBER.

THE LIST GOES ON AND ON.

A FEW WEEKS AGO I LEARNED ABOUT A MONTANA CEMENT PRODUCER WHO SUBMITTED THE LOW BID ON FOR A PROJECT UP IN ALBERTA, BUT WAS REJECTED BECAUSE HE WASN'T CANADIAN. I'VE INTERVENED IN OTTOWA, AND I THINK WE CAN TURN THAT ONE AROUND.

BUT ENOUGH IS ENOUGH.

AMERICAN INDUSTRY CAN SLUG IT OUT WITH ANYBODY, BUT NOT WITH ONE HAND TIED BEHIND ITS BACK.

THAT'S WHERE THE TRADE LAWS COME IN.

OUR TRADE LAWS ARE, <sup>supposed</sup> ~~DESIGNED~~ TO MAKE SURE THAT AMERICAN COMPANIES AND FOREIGN COMPANIES PLAY BY THE SAME RULES. BUT IN FACT, THESE LAWS ARE RIDDLED WITH LOOPHOLES AND HAVEN'T BEEN ENFORCED.

AT THE BEGINNING OF THIS CONGRESS, I WORKED WITH YOUR WASHINGTON REPRESENTATIVES TO WRITE THE "TRADE LAW MODERNIZATION ACT," WHICH CLOSES

LOOPHOLES AND CRACKS DOWN ON UNFAIR FOREIGN TRADE PRACTICES.

SIX MONTHS AGO, THE HOUSE PASSED A TRADE BILL THAT INCORPORATES MANY OF ~~THESE~~<sup>our</sup> IDEAS.

THE BILL HAS BEEN SENT OVER TO THE SENATE FINANCE COMMITTEE.

I'M ON THAT COMMITTEE. WE'VE HELD ABOUT 20 DAYS OF HEARINGS. WE'VE GONE OVER THE BILL WITH A FINE-TOOTHED COMB.

BUT THE REPUBLICAN LEADERSHIP OF THE COMMITTEE STILL WON'T BRING THE BILL UP FOR A VOTE.

FRANKLY, THEY'RE STALLING.

AND DOWN AT THE WHITE HOUSE, PRESIDENT REAGAN CALLS EVERY SINGLE TRADE BILL PROTECTIONIST. HE SEEMS TO HAVE TAKEN HIS TRADE POLICY FROM THE LINE IN AN OLD MARX BROTHERS MOVIE: "WHATEVER IT IS, I'M AGAINST IT."



WELL, LET ME TELL YOU SOMETHING.

HE'S NOT GETTING OUT OF THIS ONE SO EASY.

MEANINGFUL TRADE LAW REFORM IS LONG OVERDUE.

AND WE'RE GOING TO GET IT.

LAST WEEK, SENATOR LLOYD BENTSEN AND I PERSUADED ALL 47 SENATE DEMOCRATS TO ISSUE A STATEMENT CALLING FOR ACTION ON A TRADE BILL THIS YEAR.

IF WE CAN'T <sup>convince</sup> ~~PERSUADE~~ THE REPUBLICANS ON THE FINANCE COMMITTEE TO COOPERATE, WE'LL TAKE TRADE REFORM STRAIGHT TO THE SENATE FLOOR.

AND THEN, WE'LL LET THE CHIPS FALL WHERE THEY MAY.

#### INCREASING PRODUCTIVITY

BUT LET'S NOT KID OURSELVES.

ATTACKING UNFAIR FOREIGN TRADE PRACTICES IS  
ONLY PART OF THE PROBLEM.

IN THE LONG RUN, WE CAN ONLY KEEP AMERICA  
NUMBER ONE ECONOMICALLY IF WE INCREASE OUR PRODUCT  
TIVITY FASTER THAN OUR FOREIGN COMPETITORS  
INCREASE THEIRS.

BUT THAT HASN'T BEEN HAPPENING.

SINCE 1960, AMERICA'S ANNUAL PRODUCTIVITY  
GROWTH RATE HAS BEEN 2.7%.

SOUNDS PRETTY GOOD.

BUT BRITAIN'S HAS BEEN 3.6%. ~~AND~~ JAPAN'S HAS  
BEEN 8%.

WE'VE GOT TO TURN THIS TREND AROUND.

IN THE END, WE HAVE TO COMPETE OUR WAY OUT OF  
THE TRADE DEFICIT, BY INCREASING OUR PRODUCTIVITY  
GROWTH RATE.

DON'T GET ME WRONG. IN SOME CIRCLES, ~~THE~~  
~~THE~~ "PRODUCTIVITY" IS A CODE WORD FOR BUSINESS  
 TAX BREAKS, DEREGULATION, AND UNION+BUSTING.

*To the contrary,*  
~~WHAT~~ PRODUCTIVITY SHOULD MEAN ~~BE~~ GIVING THE  
 AMERICAN WORKER THE TOOLS HE NEEDS TO COMPETE IN A  
 CHANGING ~~HIGH-TECH~~ WORLD.

SO HOW DO WE INCREASE PRODUCTIVITY?

WE INCREASE PRODUCTIVITY BY IMPROVING  
EDUCATION.

OUR KIDS WILL NEED HIGH+TECH SKILLS TO COM+  
 PETE IN THE FAST+PACED JOB MARKET OF THE 1990s.

SO INSTEAD OF SPENDING \$100 MILLION TO  
 FINANCE A WAR IN CENTRAL AMERICA, WE SHOULD BE  
 PUTTING MORE COMPUTERS IN OUR CLASSROOMS AND  
 PAYING TEACHERS A DECENT WAGE.

WE INCREASE PRODUCTIVITY BY INCREASING  
SAVINGS RATES.

THE SMALL BUSINESSES THAT PRODUCE MOST OF OUR  
NEW JOBS NEED LOW+INTEREST CAPITAL SO THAT THEY  
CAN MODERNIZE AND EXPAND.

BUT OUR SAVINGS RATE IS THE LOWEST IN THE  
INDUSTRIALIZED WORLD. SO SHOULD BE DOING ALL WE  
CAN TO ENCOURAGE FAMILIES TO SAVE MORE, BY EXPAND+  
ING PENSION PLANS AND IRAs.

WE INCREASE PRODUCTIVITY BY DEVELOPING A MORE  
FLEXIBLE WORKPLACE.

WE'RE THE ONLY INDUSTRIALIZED COUNTRY THAT  
DOESN'T GUARANTEE PARENTS THE RIGHT TO SPEND TIME  
AT HOME WITH A NEW CHILD AND THEN RETURN TO WORK.

THIS IS BAD SOCIAL POLICY.

BUT IT'S ALSO BAD ECONOMIC POLICY, BECAUSE  
WE'RE PREVENTING MILLIONS OF TALENTED WOMEN FROM  
REALIZING THEIR FULL ECONOMIC POTENTIAL.

FINALLY, WE INCREASE PRODUCTIVITY BY IMPROV+  
ING LABOR+MANAGMENT COOPERATION.

AMERICAN MANAGERS WILL SACRIFICE WAGES AND  
WORKERS BEFORE THEY'LL SACRIFICE A QUARTERLY  
EARNINGS REPORT.

~~IN CONTRAST,~~ OUR FOREIGN COMPETITORS SUCCEEDED/  
~~THEY~~ <sup>THEY</sup> ~~MANAGING~~ FOR THE LONG TERM. THEY BUILD TRUST  
AND GIVE WORKERS A STAKE IN THE OPERATION.

by taking a  
different  
approach.

IT WORKS THERE, AND IT CAN WORK HERE.

### CONCLUSION

SO WE HAVE TWO GOALS.

FIRST, WE HAVE TO OUTMUSCLE THE SENATE  
REPUBLICANS AND PRESIDENT REAGAN TO PASS A TOUGH  
TRADE REFORM BILL.

THAT WON'T BE EASY.

AND WE'LL NEED YOUR HELP.

*st. 11 focus on*  
~~BUT~~ **E**VEN IF WE SUCCEED, WE'LL HAVE TO ~~INT~~  
*in*CREASE AMERICAN PRODUCTIVITY. THAT WILL BE A  
GREAT CHALLENGE.

BUT AFTER ALL, MEETING CHALLENGES IS WHAT  
MONTANA IS ALL ABOUT.

AS FDR WROTE ON THE NIGHT BEFORE HE DIED,  
"THE ONLY LIMIT TO OUR REALIZATION OF TOMORROW  
WILL BE OUR DOUBTS OF TODAY. LET US MOVE FORWARD  
WITH STRONG AND ACTIVE FAITH."

THANK YOU.

*st.)) focus on*  
~~BUT~~ EVEN IF WE SUCCEED, WE'LL HAVE TO IN-  
 CREASE AMERICAN PRODUCTIVITY. THAT WILL BE A  
 GREAT CHALLENGE.

BUT AFTER ALL, MEETING CHALLENGES IS WHAT  
 MONTANA IS ALL ABOUT.

AS FDR WROTE ON THE NIGHT BEFORE HE DIED,  
 "THE ONLY LIMIT TO OUR REALIZATION OF TOMORROW  
 WILL BE OUR DOUBTS OF TODAY. LET US MOVE FORWARD  
 WITH STRONG AND ACTIVE FAITH."

THANK YOU.